

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF UNITED PARCEL SERVICE,  
REDIRECTED FROM WITNESS PAGE (UPS/USPS-T23-5(c)(iii))  
(August 3, 2006)

The United States Postal Service hereby provides its institutional response to interrogatory UPS/USPS-T23-5(c)(iii), which has been redirected from witness Page (USPS-T-23).

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

---

Keith E. Weidner

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-6252, Fax -3084

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF UNITED PARCEL SERVICE,  
REDIRECTED FROM WITNESS PAGE

**UPS/USPS-T23-5.** Refer to your response to UPS/USPS-T23-3.

\*\*\*

(c) Refer to Docket No. MC2006-1 USPS-T-2, page 2 and Appendix B, page 3.

\*\*\*

iii. Provide a version of Attachment B, page 3 updated to the Test Year in this docket, including updating the wage rate, variability and piggyback factor.

\*\*\*

**RESPONSE:**

Please see the attachment, which is also being filed electronically.

**PRS Retail Transactions  
Cost Per "Acceptance" Transaction**

Transaction Time (in seconds)		22.650	1/
Transaction Time (in minutes)		0.378	2/
TY 08 Wage Rate (per hour)		\$38.850	3/
TY 08 Wage Rate (per minute)		\$0.648	4/
Direct Cost per transaction		\$0.244	5/
Misc. Volume Variable Window Costs	11.80% x \$0.244 =	\$0.029	6/
	+ \$0.244	\$0.273	
Waiting Time Adjustment	24.39% x \$0.244 =	\$0.060	7/
	+ \$0.273	\$0.333	
Variability	75.90% x \$0.333 =	\$0.253	8/
Piggyback Factor	1.392 x \$0.253 =	0.352	9/
Cost per minute for Retail Transaction	=	\$0.352	10/

**Sources**

- 1/: Docket No. R97-1, LR-H-167 (Transaction Time Study), Table 3.1, page 160, "acceptance time"  
2/: (1) / 60.  
3/: USPS-LR-L-55  
4/: Row (3) / 60.  
5/: (2) x (4).  
6/: USPS-LR-L-5, file "CS03.XLS," Worksheet 3.2.1, cell F37 divided by cell E37 (break time, clocking in and out, moving equip.).  
7/: USPS-LR-L-5, file "CS03.XLS," Worksheet 3.2.1, cell G37 divided by cell E37  
8/: USPS-LR-L-5, file "CS03.XLS," Worksheet 3.2.1, cell N37  
9/: USPS-LR-L-52  
10/: Product from (9).